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Date: November 20, 2012

To: Representative Jud Gilbert, House Tax Policy
House Tax Policy Committee

From: Rebecca Park, State Governmental Affairs

Re: Testimony on HB 6007 - 6012

Thank you for the opportunity to provide comment in support of the concepts behind HB 6007 through 6012. Throughout this process, Representative Huuki has worked hard to make the proposal acceptable to all sides and his work should be commended. Michigan Farm Bureau policy supports the extraction of minerals from property and supports rural development.

Earlier this year, Michigan Farm Bureau examined the roadblocks that are slowing or stopping Michigan agriculture from growing and looked at how Farm Bureau members could address these challenges. The answers became the foundation of Michigan's Ag Plan: MAP to the Future.

MAP outlines organizational priorities based on factors identified as pivotal to the growth of Michigan's food and agriculture industry, one of which is improving market access for agriculture. Deeper examination revealed that, among other things, market access hinges on utilities, including broadband technology. Agriculture, after all, is a business, and like most businesses, agriculture needs broadband access to remain competitive. Yet, more than 40 percent of Michigan residents lack broadband, primarily in rural parts of the state where agriculture is prevalent.

In our global economy, good transportation and infrastructure such as 3 phase electricity and access to natural gas are critical for Michigan agriculture to thrive. Without roads and bridges in good repair, tractors cannot reach fields, product cannot be processed, and consumers cannot receive nature's bounty. Entrepreneurs in certain areas of the state would have to pay thousands of dollars a mile to move 3 phase electricity into their area making expansion of their business infeasible and stifling their growth. The Rural Development Fund, as created in HB 6009, would create a board to govern this fund with a priority focus going to projects located in the region where the funds are generated.

Farm Bureau policy supports the extraction of minerals from both state-owned and privately-owned property in Michigan. Our policy recognizes the need for adequate transportation methods. Our policy also reflects the need for infrastructure in rural areas such as broadband and supports it being made available to all Michigan residents. The bills before you will help make that idea a reality.

Thank you for your time, and we appreciate your consideration on how this package of bills will affect all Michigan residents.